

Great Britain

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THE *two following Proposals for the speedier paying off the publick Debts, and the better raising of future Supplies in Case of a War,* were lately writ at different Times, at the Desire of a Person of Quality; who judging they might at this Juncture prove of Service to the Government, importun'd the Author to get some Copies transcrib'd, for the Perusal of those Persons in whose Province it lies, to consider and adjust Affairs of this Nature. When the Author had resolv'd to do this, he found it necessary to add the third Paper, for to explain some Things in the two former; which brought the whole to such a Length, that made it difficulto t procure so many written Copies as was reckon'd needful. He therefore has printed off such a Number as is requisite to put into the Hands of those for whom the Manuscripts were intended.

April 14. 1715.

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A METHOD

Is here humbly Propos'd, that will enable the Government to pay off that Part of the publick Debt, which is redeemable by Parliament, in much less Time than the present Methods will perform.

With some REASONS in Behalf of this

PROPOSAL.

It is Propos'd,

THAT a convenient Sum in Bills of Credit, as for Instance, five Millions may be made out by Direction of Parliament, and after the best Manner to prevent Counterfeits.

THAT these Bills may be issu'd at proper Times, towards redeeming the abovesaid Debt; and after this is done, that a Million more of the like Bills may be made out every Year for sixteen subsequent Years, and be also apply'd unto the paying off the whole Debt of twenty one Millions, that is redeemable as aforesaid.

THAT the Income of those Funds which are redeem'd by the abovesaid Bills, be pay'd into the Office here-under mention'd, and be there apply'd for the Support of these Bills, and be subjected as a Security to answer, and pay off the whole Number that is issu'd.

THAT the propos'd Bills be made out without any Interest upon them, and be allow'd to pass in all Branches of the publick Revenue, exclusive of all other Bills of Credit.

THAT all the Exchequer-Bills that are now extant, be call'd in, and cancell'd, upon ingrafting the Securities that belong to them into the Bank of England.

THAT no Corporation, or particular Persons, be permitted to give out any Bills or Notes, with a running Interest, that are payable at any less Time than six Months.

THAT

THAT an Office be erected for the Circulation of the Bills above-mention'd, where a Cash of one Million is to be provided, for answering any Bills that come for Money; and where also these Bills are to be given out to any Persons that desire them, and bring Money for them; and a Power is to be vested in this Office, to borrow farther Sums upon the Credit of the Bills that belong to it, or take Subscriptions for answering any farther Demands on Account of the said Bills.

THE particular Proceedings, as to the issuing, circulating, cancelling, and keeping the Accompts of the Bills, are omitted here, for Brevity sake; but will be ready to be submitted, when requir'd. In the mean Time, the following Scheme will serve to shew how many Bills are to be issu'd; what Income of Funds will be redeem'd; and what Bills will be extant, more than the Funds bring in every Year, 'till the Debt of twenty one Millions is pay'd off, and all the Bills cancell'd.

By this Scheme, it appears, That the Debt of 21 Millions will be paid off by these Bills in 17 Years: That the Funds thereunto belonging, will be all determin'd, and discharg'd in six Years afterwards: And that all this will be effected by such an Improvement of the publick Credit, as will require no new Taxes, or any farther Aid, than the present Funds that belong to the said Debt, and a Million in Cash for the Use of the Office above-mention'd: Which, besides paying off the said Debt, will, it's believ'd, answer the whole Charge of the Management, with an Overplus more than sufficient to clear the 180,000*l.* in Bills, that will remain to be paid in the last Year.

The Years in which the Bills are to issue.	The Value of the Bills issued in every Year.	Yearly Income of the funds that will be redeem'd by the Bills.	The Bills extant in each Year, over and above the said Income.
	<i>l.</i>	<i>l.</i>	<i>l.</i>
1	5,000,000	300,000	4,700,000
2	1,000,000	360,000	5,340,000
3	1,000,000	420,000	5,920,000
4	1,000,000	480,000	6,440,000
5	1,000,000	540,000	6,900,000
6	1,000,000	600,000	7,300,000
7	1,000,000	660,000	7,640,000
8	1,000,000	720,000	7,920,000
9	1,000,000	780,000	8,140,000
10	1,000,000	840,000	8,300,000
11	1,000,000	900,000	8,400,000
12	1,000,000	960,000	8,440,000
13	1,000,000	1,020,000	8,420,000
14	1,000,000	1,080,000	8,340,000
15	1,000,000	1,140,000	8,200,000
16	1,000,000	1,200,000	8,000,000
17	1,000,000	1,260,000	7,740,000
18		1,260,000	6,480,000
19		1,260,000	5,220,000
20		1,260,000	3,960,000
21		1,260,000	2,700,000
22		1,260,000	1,440,000
23		1,260,000	180,000

R E A S O N S

Humbly offer'd in Behalf of this Proposal.



IT will be absolutely safe for the Government to establish the propos'd Method; as such, gradual Steps may be taken in the first setting out, that will clearly discover the good Success and Effects as it goes on, and before any Advances need be made, that shall possibly hazard or defeat the Design; and it will here-under be made appear, how effectually it may be secur'd from any Danger of miscarrying, after it is set up.

IT will be highly necessary to do it, for easing the People much sooner from their present Taxes; for freeing our Trade from the heavy Impositions which now clog the Wheels, and hinder the Advancement of our Commerce; and for setting the Nation sooner at Liberty to act with more Vigor for its Security, or Interest, upon any emergent Occasion.

THE Advantages which the Government will reap from this Establishment, will appear very obvious, when it's consider'd, that the Sum propos'd in the foregoing Scheme, will thereby be paid off in the Time there mention'd, and with those Funds only, which, according to the present Methods, will leave the Debt, at the End of that Term, near as great as it is now; and when the Success of this Method is thoroughly known to the Nation, as it will be by this Essay, a Way may be found for bringing the rest of the publick Debt under the said good OEconomy; and then also the Government may experimentally see whether larger Steps may not be taken towards paying off the Debt faster than is propos'd in the said Scheme.

THIS Method, at the same Time it is doing the aforesaid Services, will prove farther advantageous to Trade, by enlarging its Stock: For these Bills will be as useful therein, as if the like Value were added to our Capital in Money; and moreover will contribute, in a very effectual Manner, to the bringing down the Interest of Money as low here, as it is in any other Country: Which Reduction would afford the Government farther Means and Opportunities towards clearing off the whole Debt of the Nation with the greatest Expedition, and be very beneficial to the People, especially to the Land-Interest of this Kingdom.

WHAT is here asserted, will be more fully and particularly made appear, whenever requir'd. But, in the mean Time, to give entire Satisfaction as to the

the perfect Currency and Support of these Bills, I shall humbly submit the following Answers unto these two very material Questions.

1. *Whether the Bills propos'd, will be voluntarily accepted by the People in Discharge of their Demands on the Government?*
2. *Whether these Bills, which are to carry no Interest, can afterwards be supported at Par with Money?*

IN Answer to the first Question, I presume it will be granted, that the People will be oblig'd to take Money in Payment of their Demands; and then I shall venture to say, and hope to prove, that the People will take these Bills in Payment, rather than Money; because these Bills will be more easy and expeditious for them to count in receiving and paying; more convenient for Carriage; and more secure to lay up, than Money; and may, by a proper Contrivance, be render'd more easy to recover, when lost.

THEY will have an intrinsic Value, equal to Money, by the Funds that belong to them; and also can be chang'd for Money whenever requir'd. They likewise will be as useful as Specie to employ in Trade, or to lend at Interest, or to lie up in Readiness for any other Occasion.

THESE Properties, which in several Respects are superior, and in all Respects are equal to Money, must make these Bills preferable, and to be more coveted in the aforesaid Payments, than Specie it self. Common Experience confirms the Thing; for we see, that in Payments, (as large as those usually made by the Government) the People generally covet Bills more than Money; and that they take those of the Bank, or private Bankers, rather than have the Trouble of telling, and carrying Specie, and the Hazard of taking bad Money; notwithstanding these private Bills neither have the evident Security, nor the Convenience of passing in the publick Revenue, nor that Certainty of being paid in Money at Demand, as these Bills will have: But in Regard the main Stress lies on this last particular Point, I shall endeavour to give full Satisfaction therein, by shewing,

1. THAT the Government, when it's furnish'd with the Fund of Cash before-mention'd, will, it's believ'd, have a greater Proportion of Specie to support the Bills it issues, than the Bank or Bankers have to circulate, and answer the Bills they give out; and surely then it will be allow'd, that the Government will be able to do the same Thing with a greater Power, which others do with a less; and more especially when the Weight is less, in Proportion, on that Side where the Strength is the greatest; as the Government's Bills will be superior to those private Bills in Point of Security and Convenience, which are the two essential Properties which support Bills of Credit, and keep them from running for their Money.

2. THAT a certain Power is to be super-added, and lie in Reserve, for the Government to provide any farther Sum than the above-mention'd, that may be requisite, and will be sufficient to satisfy all the Bills that can possibly

possibly come upon that Demand, it's to be remember'd, that the Office before-mention'd, is, at first, to have a Million in Specie for this Use, besides what may come in upon the Funds that are redeem'd. Now, let it be suppos'd, for Argument's Sake, that a Run is made upon the said Office with a Million in these Bills, which carries away the Million of Cash; and also, that more Bills are pressing for Money: In this Case, I say, the Office may borrow a Million more, upon the Credit of the Bills it receiv'd, when it paid out the first Million of Money; and if the Run holds so, as to draw off this Sum also, the same Course of borrowing may be repeated, 'till there is Money to pay off the utmost Bill that can come. None, I presume, will make a Question of the Government's being able to borrow the same Sums as here propos'd, who consider, that the Bills will have the same Funds to answer for them, as did enable the Government formerly to borrow the like Sums. But to leave no Doubt, in this Respect, there is a Way to be taken, by pre-engaging such Assistance as will secure this Office from being to seek, or at any Nonplus, in providing it self for the utmost Occasions.

FROM hence, I hope, it appears, that this Establishment will be sufficiently secur'd from any Failure in the Support and Circulation of these Bills; and that the Provision which is propos'd, will either prevent any Run upon this Office from being made, or render it unsuccessful; so that no Danger of this Kind can, with any Colour of Reason, be apprehended; the Supposition of a Run being only made to shew how the Case would stand upon the greatest Extremity that can be imagin'd, or objected: And in this Case, it's to be noted, that all the Prejudice or Damage the Government would suffer, whilst such a Run is making, or does last, would only be a Delay in paying off the publick Debt, for that Time, and in that Proportion, as it holds, and goes beyond the first Million. On the other Hand, it is much more reasonable to expect, that the real Capacity which the Government will have to answer all the Bills that come for Money, will prove so very satisfactory to the World, that very few Bills will come to the Office for Specie; so that, in all Probability, a much less Cash than that of a Million, will be sufficient to circulate all the Bills that are propos'd to be issu'd, since, as hath been observ'd, daily Experience teaches us, that the People do, in most considerable Payments, take private Bills, rather than trouble themselves with Money, tho' that be not without Hazard, as they well know, that neither the Bank, or particular Bankers, keep Money enough by them to answer near the Bills they give out; and can't be sure, whether, upon a Run, they are able to do it at all, such Runs often proving fatal in those private Cases. From these Considerations, I hope, it may be very justly concluded, that these Bills of the Government, whose Security is equal to the surest Titles unto any Properties, and where there is no Room for any Apprehension about their Money, whenever requir'd, will be most readily taken by the People in Payment, and Discharge of their Claims on the Government; and likewise be preferr'd in other Payments,

ments, to all other Bills of Credit, which will make Room for a great Number of those that are issu'd by the Publick.

THE next Question, *viz. Whether these Bills can be maintain'd at Par without an Interest on them*, may receive its Answer from the Proofs already given of the Capacity which the Government will have of providing Money enough to satisfy all the Bills that are issu'd; for this is the most sure and unquestionable Support that Bills of Credit either want, or can have: For as Money in Trade is a Pledge to those who sell, or part with their Goods for it, that they may have the like Value in other Commodities, whenever they want them; so Bills of Credit are a Pledge unto those that take them, that they may have Money for them when requir'd: And as Money, by being more commodious than Bartering, has, in most Countries, superseded that troublesome Way; in like Manner Bills of Credit, by being more convenient in counting and carrying, and more safe in keeping, than Specie, are likely to do by Money, as Money has done by Bartering, especially where they can be settled in Perfection. These Bills therefore, that have an intrinsic Value by their unquestionable Funds, and are such a sure Pledge, as can always command their Money, can't fail of keeping constantly at *Par*, and will be so maintain'd with little Charge, and great Benefit to the Nation; for where there is this visible Capacity of answering what the Bills are the Pledge for, the Credit of it will effectually serve the End and Purpose, without the Commutation, or Performance, or but rarely requiring it; and then for petty Payments, so that a very small Cash, in all Probability, will be sufficient to answer a great Sum in these Bills; for, as hath been noted, the bare Belief, has the real Effect in private Bills, that are not without some Hazard.

BUT to be a little more explicit about the Interest on these Bills, I shall endeavour to shew, that the allowing thereof, is neither necessary, nor convenient to be done: Not necessary, because they can be effectually supported without it, as has been made apparent; and People who live or depend upon Interest, can't in Reason be suppos'd to take these Bills for the Sake of their Interest, when they can have other Securities, upon as good Funds, that will afford them double the Interest these Bills will do; so that the Interest on Exchequer-Bills, only makes them preferable to other Bills that go without Interest, or to Money. This, it's confess'd, Interest will do; and for this Reason, it is provided in the Proposal, that no Bills for running Cash, should be given out by any Persons with an Interest on them. This Injunction the Bank formerly obtain'd against others, for better enabling them to serve the Government; and therefore, it's hop'd, may be granted in Favour of the Government, when for extraordinary Occasions of its own. But it's not doubted the Bank, whose principal Proprietors have given such Proofs of Zeal for their Country's Service, will readily consent, and farther assist, as may be needful in this Design, for the publick Good; especially when the Terms may be concerted for the mutual Interest and Advantage of the Nation in general, and that Corporation in particular.

ALL that's requir'd to support Bills of Credit, is, to make them current at *Par*, or to be more coveted than Money. A certain Capacity of converting them into Specie, when requir'd, is sufficient for the first; and the Conveniencies which Bills have above Money, make them more priz'd than Cash; and the additional Privilege of passing in all the publick Revenues, will raise their Value yet higher, and render it superfluous to give such Bills any Interest; more especially when it comes to be consider'd, that the doing it, will be prejudicial to Trade, as well as an unnecessary Charge to the Government.

FOR this Interest which accrues by keeping the Bills, makes People defer their Payments, publick, as well as private; which cramps Trade, and is a Mischief to the Government, either by making it buy dearer, or be at the Charge of Loans, and will keep the Burden of the publick Debt as long again upon the Nation, as otherwise it needs to be; and moreover, will make the Bills less serviceable towards lowering the Interest of Money, and more troublesome in their Currency, as can in particular be made appear.

WHAT has been said, it is humbly hop'd, is sufficient to solve the abovesaid Objections, and to shew the Security and Advantage of the Design. But how far this Proposal, as it points out a safe, beneficial, and practicable Way of bringing those Funds, which now go only in Payment of Interest, to serve entirely then to redeem Principal, may, upon being compar'd with the present Case of Exchequer-Bills, or any other Overture for paying off the publick Debt, appear an effectual Improvement of our National Credit, or proper to be entertain'd, is humbly submitted.

A M E T H O D

Humbly offer'd, by which, in Case a War becomes necessary, the Government may raise four Millions per Ann. as long as the War shall last, upon the two usual Taxes of 4s. per Pound on Land, and 6 d. per Bushel on Malt, laid from Year to Year during the War, and a new Tax of 300000 l. per Ann. every Year for the first five Years after the War begins.



THE Way propos'd, is, that the Parliament, after they have settled the abovesaid Funds, do authorize to make Bills of Credit to the Amount of four Millions.

THAT these Bills be paid to those Uses only, unto which these Supplies are appropriated by Parliament.

THAT the Funds above-mention'd, be subjected as a Security to make good, and pay off all the said Bills.

THAT these Bills be allow'd to pass in all Payments of the publick Revenue, exclusive of all other Bills of Credit.

THAT all the Exchequer-Bills that are now extant, be call'd in, and cancell'd, upon settling or engrafting on the Bank the Funds that are now engag'd to pay them off.

THAT neither the Bank, or any others, be permitted to give out any Notes or Bills with a running Interest, that are payable at Demand, or for any less Time than six Months.

THAT an Office be erected for circulating these Bills, where Money is to be provided for paying any of them that come to demand it, and where also these Bills are to be given out to any that desire them, and bring Specie for them.

THAT this Office be supported by a competent Cash, viz. That which comes in upon the Funds before-mention'd, and what may be farther rais'd, by taking such Subscriptions as shall be needful for circulating all the Bills that are extant.

THE Particulars of the Management, are not necessary to be here set forth: But supposing the aforesaid Land and Malt Tax, settled from Year to Year during the War, (which are estimated to bring in two Millions and half *per Ann.*) and

and a new Duty of 300,000*l.* *per Ann.* for five Years given every Year, to the Extent of the first five Years of the War, if it lasts so long, the following Scheme may serve to shew how many Bills are to be issu'd, how many will be paid off, and what Value of them will be out-standing every Year whilst the War continues; and that there will no new Funds be wanted, after the first five Years, if the War holds never so long; and that if the same Duties be continu'd but one Year after the War ends, they will discharge all the Bills that remain, with a Million to spare, for answering the Charge of circulating these Bills, and other publick Services.

Years.	Value of the Bills to be issu'd every Year.	Value of the Bills that will be paid off yearly.	Value of every Years Bills above their yearly Income.	Total Value of what Bills will be extant in any of the Years.
	<i>l.</i>	<i>l.</i>	<i>l.</i>	<i>l.</i>
1	4,000,000	2,800,000	1,200,000	1,200,000
2	4,000,000	3,100,000	900,000	2,100,000
3	4,000,000	3,400,000	600,000	2,700,000
4	4,000,000	3,700,000	300,000	3,000,000
5	4,000,000	4,000,000	000,000	3,000,000

The sixth Year, and so on, as long as the War lasts, four Millions in Bills are to be issu'd, as in the preceding Years, which will be all annually cancell'd by the Funds already settled, as the first 300,000*l.* Fund will be redeem'd the 6th Year, and another every subsequent Year, to answer in like Manner as the new Funds did in the first five Years.

AND if the War should require five Millions *per Ann.* this Method will answer that Occasion, if the Fund of 300,000*l.* *per Ann.* be laid for eight Years and half; or a Fund of 500,000*l.* be settled for five Years, in lieu of the former. And in case the Government should want more or less than what has been mention'd, the same Method will equally serve the Purpose, as it is adapted for any new Supplies that may be given by Parliament.

*The following Considerations are submitted in
behalf of this Proposal.*

THIS Design will be found very practicable, and have undoubted Success, if it be either consider'd of it self, or compar'd with what the Bank performs in the Circulation of Exchequer-Bills, and their own Notes, with respect to these two important Articles, the Funds, and the Subscriptions; which do and are to answer the Bills and Notes extant in both Cases.

THE Government, in Case of issuing four Millions *per Ann.* in Bills, will have certain Funds to bring in 2,800,000*l.* the first Year, (which is 70 *per Cent.*

Cent. on the whole) and 1,200,000*l.* in the four subsequent Years, which is the other 30 *per Cent.* and if five Millions are wanted, and the Fund of 500,000*l.* be settled, instead of that of 300,000*l.* the Funds will bring in 60 *per Cent.* the first Year, and the other 40 *per Cent.* in the four Years next following; and, moreover, the Government may take an annual Subscription for a Million, or more, in farther Aid of the Circulation of these Bills.

ON the other Hand, the Bank, it's well known, did, in the late War, (*viz.* Anno 1710) circulate above three Millions in Exchequer Bills, for the Government, when the Funds for those Bills brought in nothing during the War, and do now pay off not quite 5 *per Cent.* *per Ann.* of the whole Sum issu'd.

THE Bank, for the Circulation of these Bills, took a Subscription that Year for one Million; the next Years Subscription was for 1,200,000*l.* and the Years following, they took it for a Million and half, where it stands this present Year.

IF it be ask'd, Why the Bank enlarg'd the Subscriptions, as above? It's to be noted, there was an Addition of 1,200,000*l.* in Exchequer Bills, which they undertook to circulate, more than the abovesaid three Millions; yet, as they took the Subscriptions greater, they lessen'd the Subscriber's *Premium*; for they gave 3 *per Cent.* at first, and now give but one *per Cent.* on the Subscription for the current Year.

IT's true, the Bank, besides the above-mention'd Funds and Subscriptions, have an Annual Income of 534,319*l.* from certain Funds of Parliament, and a considerable running Cash, which People deposite in their Hands for the Sake of Bank-Notes, that are more safe to keep, and of greater Dispatch in Business, than Money. These are not taken Notice of in the Comparison, because this Income of the Bank's is divided out every half Year amongst the Proprietors of the Bank-Stock; and in Regard the Government will have as great, or greater Opportunities for attracting Peoples running Cash, whilst it will have Bills that are more secure, and more convenient, than Bank-Notes, to give out from the Office before-mention'd, to accommodate People that desire them, and bring Money for them.

AND if the advantageous Properties of these Bills be duly inspected, we shall find, that the peculiar Privilege they will have of passing in all the publick Revenues, their extraordinary Security, by such ample, and very near Funds, and the Benefit of Subscriptions for any farther Sums, even to answer the utmost Bill that can come for Money, as has been mention'd, will certainly give a perfect Circulation and Currency to all the Bills which a War may require, and will constantly maintain them at *Par* with Money, and also make them more coveted than Specie it self; so that in all Probability the Money which comes in upon the proper Funds of these Bills, will be enough to circulate all that are issu'd, and then the Circulation will be little or no Charge to the Nation.

AND when the Government, either for Caution, or real Occasion, shall require such Subscriptions of Money as above-mention'd, there will be no Room to doubt of compassing the same at Pleasure, when, on the one Hand,

the Government will not be ty'd up from giving any *Premiums* that shall be needful to induce Subscribers; and, on the other Side, the People will have no Temptations to keep up their Money upon any Prospect of greater Advantages, by any approaching Loans, or new Securities, when the Government will have done borrowing or raising of Money by any such Ways as are now in Practice.

THAT this Way of raising and managing our Parliament-Supplies, will prove very advantageous to the Nation, may plainly be seen, by computing (for Instance) what the Government will save by every Million and half rais'd this Way, more than it does by that of Lottery.

FOR in raising a Million and half by Way of Lottery, the Government us'd to settle a Fund of 135,000*l.* *per Ann.* for 32 Years, in which Time the People pay 4,320,000*l.* whereas, for raising a Million and half according to this Propofal, the Parliament only settles a Fund of 300,000*l.* *per Ann.* for five Years; in which Time the People pay no more than 1,500,000*l.* by which the Government saves 2,820,000*l.*

MOREOVER, there will be sav'd all that the Government now pays for Interest on the Tallies that are struck on the Land and Malt-Tax, and what it usually gave in extraordinary Prices on the Navy, the Victualling, the Ordnance, and the Transport-Contracts, &c. as it will not want to borrow for the future, and will pay, and buy, upon all Occasions, as with ready Money.

BUT in Regard the Bills here propos'd, are to be made out with no Interest on them, and this is contrary to the current Practice in the Bills that have been issu'd by the Government, it may be requisite to give some Instances of the Conveniencies and Advantages that will attend their being made out after this Manner; and to shew, that these Bills can be effectually supported without allowing any Interest on them.

WHEN these Bills are issu'd without Interest, the Government will save a considerable Sum annually; as 3*l.* *per Cent.* Interest, which Exchequer-Bills now carry, comes to 120,000*l.* *per Ann.* upon four Millions of Bills, they will be adapted for circulating more freely in Business and Payments, and will be better suited to lend out, and do other Offices, as Money, and thereby will enlarge and promote our Trade; for then People will more readily pass them away in Payments and Dealings, as they can make no Advantage, when no Interest accrues, by keeping them in their Hands, and delaying to satisfy Traders Demands. This will make less Stocks serve the usual, or the same Stocks carry on a greater Trade, when the Returns are quicker, and Payments are more promptly made: Whereas, on the other Side, if Interest were allow'd on these Bills, besides the Charge and Loss to the Government, as before-mention'd, it would obstruct and delay Payments, both to the Government and in private Dealings, and require greater Stocks in Trade, than otherwise would be needful: But the Advantages of issuing these Bills without Interest, are so very evident, that no farther Arguments need be us'd to recommend the making them out after this Manner, if full Satisfaction can be given that they can be effectually supported without giving an Interest upon them.

TOWARDS

TOWARDS satisfying this Doubt, it is to be noted, That the utmost, which Bills of Credit do, in their Nature, or can in Reason require, is to be paid in Money at Demand : The Provision of Money, which the Bills propos'd are to have, will certainly answer this Demand ; when, as hath been shewn, certain Funds will be appropriated for this Service, that will bring in 50 or 70 *per Cent.* the first Year, and the rest in the four subsequent Years ; and when a farther Sum will be engag'd by Subscription, for any farther Wants on this Account, this certainly will make it both unnecessary and unreasonable to allow any Interest on these Bills ; more especially, when it's farther consider'd, that the Interest, in this Case, which is only 3 *l. per Cent.* is not enough, of itself, to make such Bills, either be taken, or kept up, for the sake of that Income, whilst other Securities are to be had to bring double that Interest. This we find confirm'd by a remarkable Instance, when, about four Years ago, that Part of the Exchequer-Bills, which were not payable by the Bank, till they had pass'd through the Exchequer, and 'till then were call'd, *Non Specie* Bills, fell under a Discount, for want of this immediate Command of Money ; whilst the other Exchequer-Bills, that had pass'd in the Revenue, and could go to the Bank for Money, were at *Par*, notwithstanding the *Non Specie* Bills carry'd an Interest of 3 *l. per Cent.* as well as the others, and were upon the same Foot with them in all other Respects ; and I humbly conceive, that if the Interest will not keep the Bills up at *Par*, it is allow'd in vain, and given to no Purpose. Besides, the allowing Interest on the Exchequer-Bills now extant, that have such small and remote Funds, as before-mention'd, cannot be an equal Rule, or Reason, that the propos'd Bills, which have such large and near Funds to support, and make them good, should carry the like, or any Interest at all ; especially since this Interest does no more than give the Bills that carry it, a Preference to those which bear none : So that if there were no Interest-Bills to be had, those without Interest, would be as currently taken as the others are. Experience also verifies this ; for at this Time the Bank having got near all the Exchequer-Bills into their own Hands, do keep them up for saving to themselves the Interest which these Bills carry, and do get their own Notes, that are without Interest, to pass currently at *Par*, and to supply the Room and Want of those Exchequer-Bills which they keep in Bank ; as the Scarcity of these abroad, and the Plenty of Bank-Notes in Business, and Payments, do plainly indicate.

WHAT now remains to compleat this Proposal, is, to find out the requisite Funds for its Support. A new Tax of 300,000 *l. per Ann.* for the first five Years, if the War lasts so long, is all that will be wanting, besides the Land and Malt Tax.

THIS, it is hop'd, will be no very hard Task for those whose Business it has been to apply their Thoughts to such Matters. But if this should be made any great Difficulty, the Proposer humbly hopes he may be able, upon such Occasion, to point out proper Funds for the Service of this Design.

AS the End of this Proposal is to serve the Occasion of a War, I humbly hope the following Sentiments (which are submitted with the greatest Deference, and with Design only to remove a general Prejudice, or Mistake about our Trade, with respect to War) may not be thought either improper or officious in a Well-Wisher to our Trade, who is studious of its Improvement.

IT has been, and, I believe, continues, a general Opinion, That War is a great Enemy to our Commerce; and this being allow'd on all Sides, as the main Support of the *British* Interest, some Managers of late took the Advantage of this common Vogue, to insinuate, That we could not carry on the late War any longer, without ruining our Trade.

HOW our Trade is like to be affected by a War, when the propos'd Method for its Supplies is taken, is submitted as follows.

A WAR supported according to this Proposal, will not at all lessen our trading Stock, by drawing any Money out of that Channel, to lend unto the Government: But, on the Contrary, will enlarge this Capital, by bringing in a great Sum in current Bills, that will be as useful in Trade, as so much Money.

WHEN our Trading Stock is thus increas'd, there will be very obvious Ways of employing it: For after our Complement of Men for the Land and Sea Service, is furnish'd, we shall have Hands enough left to raise great Stores of Corn, and other Products of our Lands, to prepare large Quantities of our several Manufactures, and to provide good Stocks of other Merchandises, sufficient upon the Whole, to supply our own Occasions, and as many other Markets abroad, as we can get to take them off. That we have these supernumerary Hands, is too apparent in all Places of great Resort, and by the great Sums the Nation annually pays for the Maintenance of such People that want Work.

WHEN a greater Stock of Commodities is provided, as aforesaid, a War will create more Markets to take them off; for it will immediately draw off from the Business of Husbandry and Trade, a great Number of Hands, as well from our Allies, as our Enemies, to follow their military Engagements. This will hinder those Countries from providing so much Goods and Merchandise as they us'd to do, either for their own Use, or to supply others; and what these fall short, will come to our Share to furnish: For this additional Trade will apparently fall into our Hands, if we consider, that the *Dutch* have few or no idle Hands in Time of Peace, and therefore can't provide more Commodities in War, but must make less, as they send some out to the War; *France, Spain, and Portugal*, employ great Numbers of their own Subjects in their Land and Sea Service; *Germany* not only supplies its own military Occasions, but breeds Soldiers for other Countries; *Denmark* and *Sweden* employ so many of their own People in their present War, that several Branches of their Trade and Manufactures, are decaying, and spoil'd, for Want of Hands to cultivate and manage them.

THE

A War will not only open more Markets for our Goods, but will make them yield a greater Price; by Reason the Scarcity will be greater, we shall have fewer Competitors; the Freights for our Shipping will be higher, and more will be allow'd for the Risque; and the Advance last mention'd, may be render'd yet more profitable to the Nation, if due Care be taken in regulating the Voyages of our Merchant-Ships, and appointing them such convenient Convoys, as may be contriv'd, and will be more secure for the Merchants, and less Charge to the Government than usual, which, in Course, will lower the Rates of Insurance.

FROM hence a War appears very far from being destructive or injurious to our Trade; on the contrary, it looks very promising to enlarge it: A Comparison between the Nation's Exports and Imports, in War and Peace, will determine how in Fact this Case stands. The Writer has not the Opportunities of inspecting those Accounts; yet, from the aforesaid Speculations, and the Correspondence he has with Merchants that are great Exporters, he ventures to say, it will be found, by those Accounts, that our Trade in general was very much increas'd under the two last Wars; and he believes, that a considerable Decrease will also be there seen, in the Exportation of our Corn, our Woollen Manufactures, and other valuable Commodities of this Kingdom; not only since the Peace of *Utrecht*, but likewise in that of *Ryswick*.

WHAT has been said, will not be invalidated by the Objection which may be made against the Exactness of the Custom-house Accompts, with respect to our Exportations; as our Merchants sometimes make their Entries outwards greater than they really are; (and especially in the Woollen-Manufactures, that go out free, and being Goods of Value, better serve their Design of magnifying their Dealings) because those Irregularities are, at least, as frequent in Times of Peace, as in War. Yet, since this Practice may mis-lead Computers, who are to make Estimates for the publick Service of Trade, it seems fit to be suppress'd: And as to our War with *France* in particular, it will be found that this has contributed more than ordinary towards increasing our Trade, by turning its former Course into a more profitable Channel: As for Instance, before the late Wars, we took from *France* above the Value of half a Million *per Ann.* in Linnen Manufactures, for which, upon the Ballance, we paid them in Money; and since that Time, we take the same Value in *German* Linnens, and pay *Germany* with our Woollen Manufactures. Our Trade, in this Case, is so much increas'd, and there is so much gain'd towards bringing the general Ballance of Trade over to our Side.

I SHALL beg leave only to add, that as the Opportunities of enlarging our Trade, are like to be greater in War, our Difficulties or Dangers about it, will be more than in Peace; so that the greatest Care, and ablest Council, will be wanting for the better improving these advantageous Opportunities on the one Side, and to obviate the Dangers of the other. The *French* have done great Things for their Trade, both in War and Peace, by their exquisite Care, whilst they make the Study of Commerce, the great

Concern of their wisest Heads, and have proper Agents to procure the most useful and early Intelligences of Matters of Trade, for the Use of their principal Council.


AND if, with respect to Trade, a War could be undertaken on such a Foot and Prospect, that in Case of succeeding against our Enemies, we might so far enlarge our Commerce, as to employ upon our own Products and Manufactures, all our spare or idle Hands, in Peace as well as War, it would, no doubt, make the Nation less afraid of the Enterprize, when likely to be attended with such an Improvement, that is of the greatest Consequence to the Kingdom.

SOME

S O M E

Farther THOUGHTS

On publick Credit, for explaining the two foregoing PROPOSALS, for paying off the publick Debt, and for raising Supplies in Case of a War.

I.  HE Proposal for paying off the publick Debt, is calculated upon 21 Millions, as that Part which stands redeemable in the several Acts of Parliament, amounts to that Sum, or thereabouts, and is made up of the *Bank*, the *South-Sea*, the *East-India* Companies, and the Bankers Debt.

THIS Calculation, it's desir'd, may not be taken to mean, that no other Part of the publick Debt is redeemable, or that this should be first undertaken, or that the Method propos'd, can serve no farther than 21 Millions above-mention'd; for there seems to be as much Reason and Equity for the Nation to redeem the Lotteries and Annuities, as any other Funds. There are Words in the Lottery-Acts, that are construable for the doing it; and there are current Rates adjusted amongst the People, for the Purchase of the Lotteries and the Annuities; so that, it's believ'd, it will be as acceptable to pay off these, as the other; and more convenient for the Government to begin at the Lotteries, and go on to the other Funds, and to reserve the *Bank* and *South-Sea* Debt to the last, for the Sake of their assisting this Design, and as an Encouragement and Reward for that Service.

AND it is very obvious, that this Method, when 21 Millions is paid off, will be applicable to the discharging of the rest of the publick Debt, as well as it was to the first Part of it; and the Times for issuing the Bills, as well as the Value propos'd to be issu'd, are not to be taken as the precise Rules or Measures in either Case, but rather as Exemplifications of the Method; for both the Times and Sums are to be appointed and appropriated according to the Juncture or Necessity of Affairs; the Means provided for the Circulation, and as the Bills are found to obtain with the People; the Method being so contriv'd, that no more need be paid out, at first, than will be sure of being current; and then they are to be increas'd by proper Degrees, 'till their Credit is perfectly establish'd, which may, it's like, prove so expeditious, as to admit five Millions in a Year's Time, or thereabouts: Yet in issuing these Bills, the surest Way will be to give out no more, at first,

first, or for some Time, than there is Money ready, or within Call, to answer; and when they have obtain'd very effectually, they may be increas'd by larger Steps, perhaps, than the Calculation goes upon, until enough are issu'd to compleat the Work.

II. IN Regard the Bills in both Proposals are design'd to have no Interest on them, and the allowing Interest, at first Sight, looks very useful or necessary to their Support, it will be requisite to take a nearer View of this Case; and then I believe it will be found, that the giving an Interest on these Bills, is neither suitable to their Nature, or proper for the Design, and will be of no Use or Service to them in Time of Need.

THE Nature or Design of Bills payable at Demand, (as these are to be) is to pass as a certain Pledge for Money, and in consequence, to obtain the same Properties in paying, buying, or lending, as Specie.

THE giving an Interest on these Bills, when Money is (as it must be) provided to answer all of them that come for it, will evidently raise their Value above *Par* with Money, as they can command Money at Pleasure, and moreover will bring an Interest to the Possessor, whilst they lie in his Hands; which Money does not. This will set them above that Level, or Equality with Money, which is their just Medium, or properly, for Commutation, as a Money-Pledge, and will indispose them to circulate in Trade and Payments, as Money, and convert them more into the Nature of Securities that are proper to lie up for the Sake of their Interest, as the hoarding of the present Exchequer-Bills that bear Interest, and the free Currency of Bank-Notes in their Stead, that carry no Interest, do plainly testify.

THIS Allowance also seems to contradict the very Terms of Bills payable at Demand, as it tacitly implies, that the Issuers of them are not so very ready for Payment, as the Bills import; why else should they give an Interest that may be look'd upon as a *Premium* to keep them back from that Demand? It's also to be consider'd, whether the allowing Interest, be not even prejudicial to the Design, as far as it tends to weaken People's Belief of the Issuers Readiness to pay their Bills; which Belief is the most beneficial Property that Bills have, as it makes the greatest Proportion of them to circulate with the least Stock of Cash; and it's well known, that Credit (especially that of Banking) is of so delicate a Nature, that the more open any Endeavours are to keep People back, the more forward they will be to come for their Money; and I am apt to think a private Banker would find it a very hazardous Experiment for enlarging his Credit, if he should give a running Interest on his Notes at Demand; for this, would probably have a very different Turn, and be more likely to mar than mend his Credit; and these private or particular Cases, like weaker Constitutions, indicate more sensibly what is hurtful, and may become fatal to stronger Bodies, tho' their Strength of Constitution, may, for the present, bear them up, or hinder them from perceiving the Error.

THIS Interest will also appear very improper and superfluous, if we recollect that the three main Supporters of these Bills, *viz.* their Funds, their Privilege in the publick Payments, and their Means for Circulation, will be

be very sufficient for the Purpose, as has been prov'd in both Proposals; so that any Addition beyond these, is altogether needless; for the two Supports first nam'd, can't be suppos'd to fail, and the other has been prov'd unquestionably firm and secure. However, for Argument Sake, and to shew what Effect Interest will have at any Exigence, I shall suppose some Failure in the Circulation, or that there's not Money ready to answer all that come for Payment; and here an Interest of 3 l. *per Cent.* will not help the Case, or be able to maintain the Bills at Par, whilst there are as good Securities to be had, that will bring in double that Rate; and when a Failure appears about the Pledge itself, the People will be apt to suspect the Interest too. The Instance given in the Proposal about War, shews how the Case has been in Fact, when the Non-Specie Bills, as they were call'd, fell under Discount for want only of having pass'd the Revenue, and arriv'd at the Power of demanding Money of the Bank. For, when this Distinction of Specie and Non-Specie Bills, was remov'd, and all of them could go for their Money, they presently advanc'd to Par, and have continu'd so to this Day; and if the Interest will not help the Bills at an Extremity, or when most needed, it plainly follows, that it will be to no Purpose to give it.

III. THESE Bills are propos'd to have the peculiar Privilege of passing throughout the publick Revenues, that Way may be made for the greater Number of them to pass, and be current in all Parts of the Kingdom; for the more Bills are issu'd, the faster the publick Debt will be paid off, and the sooner will the whole be discharg'd.

EXPERIENCE shews the Necessity there is of taking Bills (of some sort or other) in the publick Payments; and surely then it must be adviseable, not only to prefer the Government's own Bills, but to admit no others there, since no Inconvenience can arise from the former; but there may some ensue, by complying with the latter, as the Bills of the Governments will have answer'd their Value to the Nation, when they were first issu'd, and before they came back to the *Exchequer*. Whereas Bank Bills, or such as the Bank is to answer for, will want to be paid by the Bank, after they come to the Revenue; and a Failure then, may be mischievous to the Government.

IT seems therefore of Consequence for the Government to be intirely satisfy'd, that the Bank has a sufficient Capacity to pay all the *Exchequer*-Bills and Bank-Notes that are extant, whenever they come to demand their Money. An Account what those Bills and Notes amount to in the whole, and what Means the Bank has to answer those Demands, will satisfy this Purpose.

THE Bank, it's well known, have undertaken to circulate about four Millions and a half of *Exchequer*-Bills, whose Funds bring in about 200,000 l. *per Ann.* which consequently cancel almost 5 l. *per Cent.* or near $\frac{1}{4}$ th Part of their whole Number every Year. There are also a great Number of Bank-Bills or Notes out at Demand against them.

THE Means by which the Bank circulates the aforesaid *Exchequer*-Bills and Notes, are, the running Cash which People deposit with them, and the

annual Subscriptions they take for the Circulation of Exchequer-Bills. The present Year's Subscription, is for one Million and half.

IF the Bank has no other Means than the above-mention'd, to support all the Exchequer-Bills and Bank-Notes that are out standing, and at Demand upon them, the Government will, when it knows what they amount to, be the best Judge, how safe or adviseable it is to admit them in the publick Revenue, and depend upon the Bank for the Money: The Bank may, perhaps, be thought to have a farther Help from the Power of calling in Money from their Members for this Service, which the Parliament has given them; but as this Call is not likely to be made, except in case of Extremity, (because such Calls do depreciate their Stock) the Bank Members will not be very forward to answer such Demands, especially when the Corporation has no other Penalty to inflict upon the Defaulters, than to keep back their half Year's Dividends; the Apprehension of which, will not, I believe, have any great Influence at such a Juncture.

I shall not offer to draw the Consequences of a Disappointment from the Bank, nor should make any Question about their Performance, no more than I do of their good Intentions, did not former Occurrences tell us they are not infallible, and were there not a more secure and beneficial Way for the Government, (and I believe for the Bank also) than the Methods now in Use; for at the Time of the recoinning our Clipp'd-Money, the Bank-Notes were, as I remember, at 25 *l. per. Cent.* Discount; how that affected the Government's Credit and Affairs, is well known; and also how much the Introduction of the Exchequer-Bills, about that Time, contributed to redress the Mischief: When the Pretender invaded *Scotland*, a Run was made upon the Bank; which, if it had held but two Days longer, (as it would have done, if he had either landed, or stay'd so long on our Coasts) the Bank must have stop'd Payment. And at the Change of the Ministry, about four Years ago, the Demands ran so quick upon the Bank, that they cry'd out for Help, and shew'd the World how unable they were to bear any extraordinary Calls for Money.

AND the Bank, since those Times, have gone into deeper Engagements.

THE great Things which the Bank has ventur'd to do, even above its natural Strength, in Service to the Government, seems to make them liable to such dangerous Impressions as above-mention'd. Which are here spoken of with no other Design, than to remove the Burden from the Bank, and to place the Weight where it can be carry'd with much more Safety, and a great deal less Charge to the Government, than is now done.

IV. Both the Proposals do necessarily require the present Exchequer-Bills to be previously cancell'd; for this will give a due Latitude to either Design, by removing such a considerable Number of Bills out of their Way, and by setting aside all those that now carry an Interest, which otherwise would prove prejudicial, and be an Obstruction to any Bills that should come out with no Interest on them.

THE cancelling of the aforesaid Bills, seems no Matter of Difficulty, either to the Government, or the Bank, because the Provision which the Government

Government makes for answering the Interest and Circulation of them, being upwards of 7 *l. per Cent.* will be sufficient to satisfy the Bank for taking them into their Stock, as it will pay them the Interest for the whole Sum, 'till the Principal is discharg'd; and the doing it, will be a farther Service to the Government, as it will redeem the Fund of 200,000 *l. per Ann.* which now goes towards cancelling the present Exchequer-Bills, and may then be apply'd to some other publick Use.

THE sinking of these Exchequer-Bills, will be very easy for the Bank to comply with, as they may do it either by calling in the Money from their own Members, or by admitting others to subscribe what will be wanting for the Purpose. This Removal of the Exchequer-Bills, seems farther necessary for the Ease and Safety of the Bank, as this great Sum, when complicated with other adventurous Undertakings of the Bank, make the Load so great, as may, upon any farther Pressure, prove mischievous to them, and to the Government also, whilst it depends entirely upon them in the present Manner; but if the Bank should refuse to take the Exchequer-Bills into their Stock, the Government may, by Means of the aforesaid 7 *l. per Cent.* procure Money from other People to pay them off, especially now the legal Interest is brought down to 5 *l. per Cent.*

V. THE restraining the Bank and others from giving out any Bills with a running Interest on them for the future, as desir'd in both Proposals, amounts to little or nothing more in fact, than the continuing or confirming by a Law, that which is the present Practice, and is for the common Benefit of all that are concern'd in circulating Bills of Credit. For all Persons, except the Bank, are ty'd up from issuing such Bills; and the Bank itself now does not give out any Interest-Bills; and, it's not intended that the Government should make out any hereafter, for to carry any Interest on them; and when no Interest-Bills are given out, no Persons can stand in need, or have a Necessity of doing it. When the Bank got this Injunction upon others, the Reason was, for better enabling the Bank to serve the Government in circulating of the Exchequer-Bills it had undertook. But when this Occasion comes to be superseded by the Government's circulating its own Bills, the Reason for continuing this Privilege to the Bank, must cease. On the other Hand, it appears much more reasonable to take away from the Bank, as well as others the Liberty of allowing Interest on their Current-Bills, when it's for the direct and intire Service of the Government, than it was to grant the same solely to the Bank, upon a Prospect of serving the Government, that was uncertain and precarious, whilst it depended on the Power, as well as the Will of the Bank, to circulate what Bills the Government might have occasion for.

VI. THAT it will be much more proper for the Government to take into its own Hands, the Circulation of all its own Bills, as propos'd in both Papers, will, I believe, plainly appear, when it's consider'd: That the Government, besides the Hazard of entrusting this Circulation to others, as has been already spoken of, can circulate such Bills more securely; can support
a greater

a greater Number, and can maintain the Circulation with much less Charge to itself, than the Bank can or will do.

THE Management of any Affair of great Moment, (as the propos'd Circulation manifestly is) will be most properly plac'd where the Power and Interest are greatest to do it well.

THE Government apparently has a much greater Power and Interest to circulate its own Bills of Credit, to Perfection, than the Bank can be suppos'd to have; as the Parliament's Power of providing sufficient Funds and *Premiums* for that Purpose, is unlimited, whilst the Bank has only its prefix'd Income, and can give no more than 5 *l. per Cent.* and what Power the Bank has, is deriv'd from the Government; and therefore can be, upon the Comparison, no more than as such a Part is unto the whole, from whence it came.

IT undoubtedly is the Government's Interest, to make its own Bills so very general and current, as to serve toward paying off all its present Debt, and to supply all its future Occasions as well as Money. How far the Bank may think it their Interest to promote the Government's Bills in this Manner, or suspect them rather to interfere with their own Credit, is very much question'd, especially if we observe how backward and cautious the Bank is in promoting the present Exchequer-Bills, whilst they give them out only four Mornings in a Week, and then will part with no other than hundred-Pound Bills; but are ready to give out their own Notes every Day in the Week, and in just such Sums as People require, to accommodate their Payments; which makes it look almost as improper to entrust the prime Conduct or Direction of circulating the Government's Bills in the Bank, as it would be for one Banker to entrust another on the like Occasion.

THE greater Power and Interest which the Government apparently has to support the publick Credit, will enable and excite it, not only to secure its own Bills from any Failure, or Disreputation, better than the Bank, but likewise to maintain a greater Number for the Nation's Service.

The Government also will save a great Part of the Charge it now pays for Exchequer-Bills, by taking the Circulation into its own Hands; the present Charge of those Bills, is now somewhat more than 7 *l. per Cent.* and amounts upon four Millions and half, to 323,000 *l. per Ann.*

WHAT the Charge of Circulation may be likely to prove, when perform'd by the Government itself, may be best estimated by computing what it now stands the Bank in.

THIS Year the Bank has taken a Subscription of one Million and half, for the Circulation of the Exchequer-Bills that are extant, and gives the Subscribers 1 *l. per Cent.* for that Sum; they take a Deposit of $\frac{1}{4}$ th of the Subscription, which is 150,000 *l.* For this Sum they allow 4 *l. per Cent.* and are to pay 5 *l. per Cent.* for what farther Part of the Million and half they may have Occasion to call for.

IT's evident, from the Smallness of the *Premium*, that the Subscribers do not expect to be call'd upon for any more Money, than their first Deposit, and the

the rather, because no more than the first deposit Money was call'd in of the last Year's Subscription; and at this Rate, they will get 14 *l. per Cent.* for their Money, which is good Encouragement to induce Subscribers: So that if the Government can circulate four Millions and half, with a Subscription for one Million and half, and a Deposit of one Tenth of the Money subscrib'd, the Charge of the Circulation will not be above $\frac{1}{2}$ *per Cent.* or 21,000 *l. per Ann.*

If $\frac{1}{3}$ d of the Subscription, viz. 500,000 *l.* be call'd in, the Charge will not be quite 1 *l. per Cent.* If $\frac{2}{3}$ ds, or 1,000,000 be call'd in, the whole Charge will be under 1 *l.* and $\frac{1}{2}$ *per Cent.* and If the whole Subscription, viz. one Million and $\frac{1}{2}$, be call'd in, the Charge will be less than 2 *l. per Cent.* and this will be instead of 7 *l. per Cent.* and upwards, which the Government now pays: But upon the Whole, I verily believe, that the Circulation, when undertaken by the Government, will not cost above $\frac{1}{2}$ *per Cent.* And here it may be proper to observe, that the Government may unquestionably procure Money enough for the perfect Circulation of all its Bills, by these Ways of Borrowing, or taking Subscriptions; when it will have Room, and can afford to give any Interest, or *Premium*, that will be needful to induce Lenders: And that even when large *Premiums* are given, the Charge will be very small, considering the small Proportion of the Money to be borrow'd, unto the Bills that will be circulated; and also that the Money borrow'd at such extraordinary Rates, need be kept and paid for, but a small Time, that is, whilst the Demand runs quick upon any extraordinary Event.

AND it may, perhaps, be some farther Inducement for the Government to circulate its own Bills, when it's more particularly explain'd, how the Borrowing, or taking Subscriptions, is (especially at first) to be put in Practice, and how the Charge may be answer'd.

IN the Paper for paying off the Debt, notwithstanding one Million is there propos'd, it may be adviseable at first, and I believe will be sufficient for the whole Purpose, to provide half a Million of Money, by borrowing that Sum upon a Fund of Interest at 5 or 6 *l. per Cent.* as it can be had; and over and above this Money, the Government may provide two Subscriptions, one for a Million and half, the other for a Million. The Bank, it's reckon'd, may engage for the greater Subscription, and the South-Sea Company for the other. But if they refuse, both Subscriptions may be fill'd by particular Persons, especially as the *Premium* may be made encouraging enough to attract Subscribers.

THIS will be a Stock or Fund of three Millions, to begin with, for the Circulation of the Bills to be issu'd for paying off the publick Debt: And if more Money should afterwards be wanted for this Service, the Government will have open Ways of procuring it, as has been plainly indicated: But this will appear abundantly sufficient for the Purpose, especially if it be collated with what the Bank provides, for the Circulation of the Exchequer-Bills, as has been already mention'd.

IN the Proposal for War, a Subscription for a Million, it's thought, will be very sufficient for the Circulation of those Bills, where the Funds are so large as to bring in 60 or 70 *l. per Cent.* the first Year, and the rest in four Years afterwards, as has been noted; and here also, will be the same Opportunities of borrowing, or taking Subscriptions for farther Sums, on any Emergencies.

THE Charge of the above-mention'd Provisions for both Proposals, will not exceed 100,000 *l. per Ann. viz.* 70,000 *l. per Ann.* for the first, and 30,000 *l. per Ann.* for the latter; in which there is Allowance made for the Office-Charges. And when the Credit of the Bills is perfectly establish'd, this Charge, in all Probability, will be sav'd, as then the proper Funds of of the Bills will be sufficient to circulate them.

IF the Fund of 200,000 *l. per Ann.* which now goes towards cancelling the present Exchequer-Bills, and will be releas'd when those Bills are sunk, may be appropriated for the Circulation of the Government's Bills, it will be sufficient to raise the Stock of Cash, and to answer the annual Charge, and to spare; and whatever Overplus is found, may be duly apply'd for the speedier paying off the whole Debt of the Nation.

THERE is yet a farther Improvement this Way to be made, that was just hinted at in the Proposal for paying off the Debt, that is, to bring down a good Part of the present publick Securities to a lower State of Interest, 'till the Principal can be redeem'd. The Way offer'd to Consideration, is, That the Government, when it has made the proper Provision for going to pay off the publick Debt, may, previous to the Onset, give Notice, that it intends to pay off such and such of the publick Securities, that stand at the highest Rates of Interest, unless the Parties concern'd, will agree to take 5 *l. per Cent.* (the legal Interest in other Cases) for their Continuance.

THE like publick good Husbandry has been us'd with Success in some Places abroad; and we have a late Instance at Home, by what the *East-India* Company is now doing, and also, by what the *South-Sea* Company have lately done, in reducing the Interest upon the Securities which they have given.

THIS Expedient will, it's believ'd, have such Effect upon the People, (when they have no Prospect of farther Loans to the Government) as to set a considerable Part of the publick Securities on a lower Foot of Interest than it now stands, and will presently redeem a considerable Income for the publick Service.

AND when this is effected, the Method propos'd for paying off the publick Debt, may be duly set to work, and carry'd on according to the first Intentions, beginning and proceeding upon such Securities that carry the highest Interest, for redeeming the whole so much the sooner.

VII. AMPLE Proofs, I humbly conceive, have been already given, that the Government will be sure of having Money enough always ready, or within Call, for all Occasions of the Bills propos'd; I therefore shall only add upon this Head, that the Bank, and *South-Sea* Company will be induc'd, upon the Motive of Self-Interest, to come in, and assist the Government, not only

only with the Subscriptions already mention'd, but likewise with greater Sums, if wanted; in regard this Advancement of the publick Credit, will cause an extraordinary Rise or Advance in the capital Stocks of those Corporations.

TO manifest this, it's to be shewn, that the propos'd Method will effectually lower the Interest of Money, and this Reduction will, in Course, make the Advance above-mention'd.

THE just and natural Way of bringing down Interest, is, to make Money (or that which currently passes as its Pledge, and serves the same Uses as Money) to become more plenty; or to make the Stock that is proper, and us'd for lending, to bear a greater Proportion to, and be as great, or greater than the Occasion of those that want to borrow.

THE propos'd Method will directly come up to this, as it will bring into the lending Stock, a great Sum in these Bills, (*viz.* as many as will serve to pay off the publick Debt, and to raise the future Supplies) that will be of equal Use with Money; and also will, by preventing the Government from borrowing hereafter, take off so much from the borrowing Side, as the Government's Loans amount to.

AS the Way us'd in contracting the present Debt, did, by drawing great Sums out of those Hands that us'd to lend unto private Persons, and by giving great Rates or *Premiums* for the same, either raise Interest, or hinder it from falling; so the Way of paying it off by these Bills, which carry no Interest, will contribute very much to the Fall of Interest, as the Persons unto whom these Payments will be made, are such as now live or depend on the Interest they receive from the Government; and when they receive their Money, or Bills that carry no Interest, will not know what to do with them, except to lend out at Interest; and the Enlargement of Trade, which will be made by the great Plenty of Bills that will come into it, will bring more Riches into the Nation, and increase the Plenty for lending.

BY this Means the Scale of Interest will soon be turn'd in Favour of the Borrowers; and the Use of Money will be speedily and considerably lower'd; and when this is compass'd by such just and natural Means, it will be general and lasting, without any Law to enforce it.

THE Interest of Money on the one Side, and the annual Income of Funds or Lands, &c. on the other, are to be consider'd as plac'd in two opposite Scales under the same Beam: When the one goes down, the other must naturally and proportionably rise: As for Example, if 100*l.* in Money will bring no more than 4*l.* *per Ann.* for its Use or Interest, it naturally and certainly follows, that so much sure Fund, Stock, or Land, as will constantly produce an Income of 6*l.* *per Ann.* will yield or sell for 150*l.* or more, considering the Fund or Land is more fix'd and secure in its Income, than Money, that goes upon Mortgages or personal Securities.

THIS valuable Effect, which the propos'd Improvements of the publick Credit will demonstrably have upon the publick Funds and Stocks that subsist, at the same Time will unquestionably dispose and engage both the

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Bank and the *South-Sea* Company, to give their utmost Assistance to this Design: And for the same Reason, Men of Estates, and the Generality of Traders, will heartily concur in promoting the same; as it will likewise raise the Value of their Lands, and other Annual Incomes, as well as it does the publick Securities, that are cotemporary with it; and will make Money plenty and cheap, for the Service of Trade; and these Persons consequently will be very ready to engage in any Subscriptions that shall be open'd for the Support and Circulation of the Bills that are issu'd by the Government, if the Occasion for particular Subscribers is not obviated by the *Bank*, who will soon foresee this general Readiness of the People, and may think it concerns them to be before-hand with private Persons, by coming roundly in, and engaging themselves to furnish whatever Money the Government shall want for the Circulation of the Bills it issues; unto which they will be prompted, not only for the Sake of the Profit, as the *Premiums* allow'd on the Subscriptions, will be all clear Gain, when the Goodness of the Bills, and the Name of such powerful Assistants, will answer the End, without any farther Calls for Money; but likewise to prevent the drawing out so much Money from the *Bank*, as probably would be done to answer the Obligations of such private Subscribers, who lodge their Money with the *Bank*; which would be very detrimental to the *Bank*, as their Profits do chiefly arise from the running Cash which People deposite with them; and it may perhaps weigh somewhat with the *Bank*, and the *South-Sea* Company also, that the Government can, if it pleases, pay them off amongst the first; which, besides making them forego the Benefit of the above-mention'd Rise or Advance in their Stocks, would be a Mischief to the *Bank* in particular, as the lessening their Capital would weaken their Credit, and proportionably diminish their Gain, which rises highest, when they are trusted most.

VIII. IN Regard both Proposals are to proceed on the same Way of Bills, yet have a distinct or different End, as the one is to pay off an old Debt, and the other to raise new Credit, it may be proper to enquire, whether they are capable of being set up both at the same Time; or if the Method for paying off the Debt, be first set up, whether it will not hinder the other afterwards from being put in Practice, if a War should ensue.

ALL the Inconsistence or Inconvenience that can be apprehended from using both Methods at once, is, that when both are at work, they may give out more Bills than can be duly maintain'd, or kept up; for as many Bills as can be circulated, certainly should be issu'd for the more expeditious Discharge of the Nation's Debt.

I therefore shall endeavour to shew,

1. THAT if there be Occasion, both Ways may be set up, and kept going together, without making any such over Stock of Bills.
2. THAT if the Method for paying off the Debt, be first set up, and should be carry'd on to its Height when a War falls out, that even then the

the Method for War may be establish'd, either in Concurrence with, or by superseding of the other for such Time as shall be found necessary.

IF the Government's Occasions should require the Service of both Proposals, it will be very practicable, if all the Bills issu'd under both of them, can be duly circulated.

THE Bills for the War will have such large and near Funds, as has been set forth, that these will require very little Aid beyond those Funds, to maintain their just Currency. The Subscription of a Million join'd with such Funds as these, will be very sufficient to secure their free Circulation: But yet the Government will have Room to take, and Means to satisfy additional Subscriptions for farther Sums, if wanted.

AND the Bills for Discharge of the Debt may be issu'd, as has been observ'd, by such small Numbers at first, and may be augmented by such gradual Additions, as to increase no faster than they are found to obtain in their Currency amongst the People. The Provision that has been propos'd for these Bills of half a Million in ready Money, and certain Subscriptions to the Value of two Millions and half more, may be reckon'd a very sufficient Support for a greater Number of Bills than need be extant upon this Account.

IF the Fund of 200,000*l.* that will be releas'd upon sinking the present Exchequer-Bills, may be reserv'd, and appropriated for this Design, it will be sufficient to provide and answer for the abovesaid Means that are to support both Methods, *viz.* The half Million in Cash, and the three Millions and half in Subscriptions, with an Overplus to provide more for the same Service, if there be Occasion.

IT's not to be imagin'd, that these Methods, when both are set up, will prejudice each other in any other Respect, than the Multiplicity or Increase of Bills; and if a sufficient and distinct Provision is made for each peculiar Way, it will be the same, and as effectual to either of them, if both be set up, as if but one was establish'd.

HOWEVER, if, contrary to all Expectation, Practice or Experience should manifest, that both Ways are not consistent, or safely to be kept on Foot at one and the same Time; and that it should so happen, that this Inconsistence should not be timely foreseen; or 'till after the Method for paying off the Debt, is fully establish'd; yet even in this Case, it may be safely contriv'd and order'd, that the Bills which are out upon Account of the publick Debt, may be so compremis'd by the Allowance of such Interest or *Premiums* to the Possessors, as shall be satisfactory to them, and make them acquiesce with having these Bills depriv'd, for a Time, of their former Privileges of passing in the publick Revenues, and of demanding their Money of the Office appointed to pay them; and by this Means may be so qualify'd, as not to interfere with the Bills issu'd for the War, or to give them any more Disturbance, than if these for the Debt were not in Being; and after the extraordinary Occasions of War, are over, the Debt-Bills may be

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reviv'd, and restor'd to the same Privileges, Currency, and Usefulness, to the Publick, as they were before the War happen'd; and the Government will suffer no other Inconvenience by this Interposition for the Service of the War, than a Delay in paying off the publick Debt for so long Time as the publick Necessities shall last, that requir'd such a Suspension of the Privileges of the Bills on that Account.

F I N I S .



